



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7B-0287826

**THE APPLICATION OF STRAWN OPERATING COMPANY, LLC, TO CONSIDER
AUTHORITY PURSUANT TO STATEWIDE RULE 23 FOR THE CASEY '30' LEASE,
CASEY 30 "A" LEASE, CASEY 30 "B" LEASE, SHACKELFORD COUNTY REGULAR
FIELD SHACKELFORD COUNTY, TEXAS**

HEARD BY: Karl Caldwell – Technical Examiner
Michael Crnich – Hearings Examiner

DATE OF HEARING: April 23, 2014

APPEARANCES: **REPRESENTING:**

APPLICANT:

Nguyen B. Ngoc

Strawn Operating Co., L.L.C.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Strawn Operating Co., L.L.C. ("Strawn") requests authority pursuant to Statewide Rule 23 to pull up to 20 inches of mercury vacuum on Casey '30' Lease, Casey 30 "A" Lease, and Casey 30 "B" Lease wells. Notice was provided to adjacent lease owners and operators surrounding the above referenced leases and no protests were received.

The application is unopposed and the examiners recommend approval of authority pursuant to Statewide Rule 23 to pull up to 20 inches of mercury vacuum on wells located on the subject leases, as requested by Strawn.

DISCUSSION OF THE EVIDENCE

Production was first discovered on the Casey "A" Lease in 2011 with the completion of Well No. 1 in the Tannehill sand at a depth of 900 feet. As of February 2013, a total of 28 wells have been drilled and completed on the Casey '30', Casey 30 "A", and Casey 30 "B" leases. Of these 28 wells, 17 wells have been completed in the Tannehill sand, 1 well completed in the Saddle Creek Lime, 5 wells completed in the Cook Sand, and 5 wells

completed in the Hope Sand. Cumulative production through February 2014 for the various leases are as follows:

<u>Lease Name</u>	<u>Lease ID No.</u>	<u>Cumulative Production (BO)</u>
Casey '30'	31039	3,333
Casey 30 "A"	30626	7,397
Casey 30 "B"	30729	11,328

In August 2013, vacuum pumps were installed on a total of 15 wells on the 3 subject leases. Casey '30' Lease production increased from approximately 5 BOPD to 7 BOPD (vacuum pumps were installed on Well Nos. 13, 14, 15 and 16). Casey 30 "A" Lease production increased from approximately 2 BOPD to 4 BOPD (vacuum pumps were installed on Well Nos. 1,2,3, and 7). Casey 30 "B" Lease production increased from approximately 4 BOPD to 6 BOPD (vacuum pumps were installed on Well Nos. 1, 4, 5, 6, 7, 8, and 9). Strawn was not aware that permits were required prior to using vacuum pumps on the subject leases. After receiving a letter from the Commission, Strawn immediately ceased operation of the vacuum pumps at the end of August on the subject leases. Strawn requests authority to pull up to 20 inches of mercury vacuum on Casey '30' Lease, Casey 30 "A" Lease, and Casey 30 "B" wells.

FINDINGS OF FACT

1. Proper notice of this hearing was given at least ten (10) days prior to the date of the hearing and no protests to the application were received.
2. As of February 2013, a total of 28 wells have been drilled and completed on the Casey '30', Casey 30 "A", and Casey 30 "B" leases.
3. Cumulative production through February 2014 for the Casey '30' Lease is 3,333 BO.
4. Cumulative production through February 2014 for the Casey 30 "A" Lease is 7,397 BO.
5. Cumulative production through February 2014 for the Casey 30 "B" Lease is 11,328 BO.
6. The use of vacuum pumps increased total lease production from each of the 3 subject leases.
7. The use of a vacuum pump on each of the subject wells will increase hydrocarbon recovery and prevent waste.

8. The use of a vacuum pump to pull up to 20 inches of mercury vacuum on each of the subject wells is appropriate.

CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to Statewide Rule 23 to pull up to 20 inches of mercury vacuum on each of the subject wells will prevent waste and will not harm correlative rights.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant Statewide Rule 23 authority to pull up to 20 inches of mercury vacuum on Casey '30' Lease, Casey 30 "A" Lease, and Casey 30 "B" wells, as requested by Strawn Operating Co., L.L.C.

Respectfully submitted,



Karl Caldwell
Technical Examiner



Michael Crnich
Legal Examiner